

CLERK: 25 ayes, 2 nays, Mr. President, on the motion to advance the bill.

SPEAKER MARVEL: The motion is carried and the bill is advanced. The next bill, LB 154.

CLERK: Mr. President, LB 154 was introduced by Senator Don Wesely. (Read title.) The bill was read on January 14. It was referred to the Banking, Commerce and Insurance Committee for public hearing. It was advanced to General File. There are committee amendments pending, Mr. President.

SPEAKER MARVEL: Senator Wesely.

SENATOR WESELY: Mr. Speaker, members of the Legislature, Senator DeCamp has asked that I handle the committee amendments. The committee amendments were worked out in cooperation with Bill Brandt, Paul Quinlan, Larry Ruth and others who testified in support of the bill but had some concerns about the fact that in their different associations there were already regulations included in this area that they felt were satisfactory and their feeling was the bill needed to be narrowed so that we got to the heart of the problem which they knew was there which was loan brokers that basically were unlicensed and on their own recognizance were going around asking for and getting front end fees, advance fees they are called, to solicit loans for farmers or business people and never, in fact, coming through with the money really that they promised to get. This has been an abuse that has been found throughout the State of Nebraska and the problem was with the bill as originally introduced, it was too broad so the committee amendments, one, narrow the definition of who would have to be under these provisions so that we would get at the real heart of the problem and that is the independent person going around trying to broker loans. The other change is that we do not require a written contract. That was suggested by Mr. Fennell of the Attorney General's Office that perhaps by eliminating the real problem which was front end fees, that would take care of the majority of the cases that he has seen that there has been a problem and we did not really need a written contract which might be a little burdensome to some people to have to work through that. So we eliminate that provision. We also eliminate the Unfair Trade Practices Act provisions of the bill but the feeling is that there are provisions similar to that that already apply. We also feel that with the front end fee eliminated we are not going to have nearly the problem that we would otherwise and I think that the Attorney General's office is going to be very much aware of these practices in the future and be able to handle it with the provisions we have in this bill as amended. And,